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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000228

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SUBJECT: KMT VICE CHAIRMAN WU DEN-YIH DISCUSSES ELECTION
PLANNING, PARTY POLITICS, AND PRESIDENT MA

Classified By: AIT Acting Director Robert S. Wang,
Reasons: 1.4 (b/d)

¶1. (C) Summary: Ruling KMT Vice Chairman Wu Den-yih told the Acting Director on February 25 his party cannot take lightly two upcoming legislative by-elections in Blue-majority Miaoli County (March 14) and Taipei City (March 28), given public dissatisfaction with the government over the economic downturn. The December 5 elections for county magistrates and city mayors will be a bigger challenge, especially the contest in Taipei County, Wu indicated. Current KMT Magistrate Chou Hsi-wei has much lower polling numbers than the potential DPP candidate, former Premier Su Tseng-chang. Nonetheless, the KMT is likely to field a stronger candidate than Chou, and Su's chances of victory are only 50-50, Wu said. On the intra-party election for KMT chairman this summer, he suggested that President Ma Ying-jeou has not yet made a decision on whether he wants to take up the position himself or have current Chairman Wu Poh-hsiung continue for another term. End Summary.

Legislative By-Elections

¶2. (C) KMT Vice Chairman and Secretary General Wu Den-yih, the party's senior election strategist, told the Acting Director on February 25 that the party is facing an unfavorable atmosphere resulting from the economic downturn, rising unemployment, and public dissatisfaction with the government. As a result, the KMT cannot take for granted the March 28 Legislative Yuan (LY) by-election in Taipei's Da'an District, even though the party normally wins by a very wide margin in this district. (Note: Another complication is that independent Yao Li-ming, supported by the Deep Blue New Party (NP), has joined the contest, which could split the "Blue vote" and give the DPP a chance. However, the KMT can be expected to urge Blue supporters to "dump" Yao and "save" the KMT candidate, a strategy that has worked for them previously, for example, in the 2006 Taipei mayoral election. Yao, a former NP legislator, was one of the leaders of the 2006 "Red Shirt" movement that called for the resignation of then-President Chen Shui-bian. End Note.)

¶3. (C) In the other upcoming LY by-election, in Miaoli on March 14, the political scene is complicated, Wu observed. KMT candidate Chen Luan-ying, wife of the former legislator, whose election was nullified because of vote buying, is not well known and is not a strong campaigner. However, many

people will support her because they believe her husband was wronged. She is opposed by Kang Shih-ju, a maverick KMT local mayor running as an independent, who is being supported by the DPP. Recently, Chen has increased her lead over Kang, but still does not enjoy a safe margin.

December 5 Local Elections: Taipei County

¶4. (C) Turning to the December 5 local elections, Wu acknowledged that Taipei County will be the most important race and that former Premier Su Tseng-chang, the potential DPP candidate, has a substantial advantage in current public opinion polls. If Su runs and wins, he will become the sole DPP "king," ending the period of competing kings and queens, which included also former presidential candidate Frank Hsieh, former Vice President Annette Lu, and former DPP Chairman Yu Shyi-kun. However, Su will not be able to repeat the strong record he had when he was magistrate from 1997 - ¶2004. At the time, Su was able to spend lavishly on popular local projects throughout the county, leaving current KMT Magistrate Chou Hsi-wei a large public debt headache. In addition, Su will not have the budget resources or support from the KMT central government that he enjoyed after the DPP came into power in 2000.

¶5. (C) Despite his strong polling numbers, Su would at best have a 50-50 chance of winning the Taipei County election, Wu predicted. Pan-Blue supporters outnumber pan-Green supporters in the county, and most local elected officials, including mayors and legislators, are KMT, Wu explained.

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When Su ran for reelection in 2001, at the height of his popularity, he managed to beat KMT-supported New Party candidate Wang Chien-shien, who ran a weak campaign, by only a 51-48 point margin. With the KMT now governing Taipei County, Su will have difficulty convincing the county's local politicians to support him. Moreover, Wu suggested, other DPP heavyweights might work against Su, because a victory by him could block their own hopes to run in the 2012 presidential election. He cited the example of Su-protege Wu Ping-jui, a DPP legislative candidate in Taipei County in ¶2008. According to Wu Den-yih, Wu Ping-jui lost the election owing to the machinations of a rival DPP local politician.

¶6. (C) Acknowledging KMT Magistrate Chou Hsi-wei's current low standing in public opinion polls, Wu noted that Chou is working to strengthen his record prior to the election, which is still 9 months away. These efforts will help the KMT candidate, whether it is Chou or someone else. Both parties now are waiting for the other side to name their candidate. According to Wu, there are virtually no limits on selecting the strongest possible KMT candidate for the Taipei County race, and there are two or three possible candidates, which he declined to name. In a separate meeting, KMT Legislator Lai Shyh-bao told poloff there were only three potential KMT candidates who would have a chance of beating Su: Taichung City Mayor Jason Hu, Taoyuan County Magistrate Eric Chu, and Wu Den-yih himself.

Other Contests

¶7. (C) In addition to Taipei County, the KMT is facing difficult elections in two or three other counties, Wu suggested. Although he declined to provide details, others have suggested the KMT may well lose Yilan County, could face problems in Taitung and Nantou Counties, and also faces some uncertainties in Changhua and Taichung Counties. Wu said the decision on whether to merge Taichung City and County, which would delay elections there for a year, will be up to the LY, which would have to act by April 4 at the latest. However, some legislators oppose the merger at this time, and Wu could not predict whether the LY will approve the merger this spring.

KMT and KMT-DPP Relations

18. (C) The public often blames the KMT for decisions made by government officials over which the party has no influence, Wu observed. Many people do not understand that, unlike authoritarian times, there is now a clear distinction between party and government. According to Wu, the current role of the party is to manage election campaigns, work with the party's LY caucus, and coordinate relations between party and government. Wu suggested that the competitive relationship between the KMT and DPP would make formal inter-party dialogue difficult. However, it is important to maintain the tacit consensus that both parties are working for the good of Taiwan and engaging in healthy competition.

Ma as President of All the People, Not Just the KMT

19. (C) Ma Ying-jeou is the first KMT top leader not to serve concurrently as party chairman, Wu noted. Ma came into office wanting to be president of all the people, and not just the leader of one party. However, Ma's approach means that party officials see him as cool and aloof, while supporters tend to see him as weak. Despite Ma's efforts to reach out to the light Green, the pan-Green camp has opposed him. Moreover, the KMT is weaker without his leadership, and some KMT legislators have felt free to criticize the president. That said, Ma has strengthened his efforts to coordinate with the party and LY, including setting up a five-member committee (president, vice president, premier, party chairman, and LY speaker), which meets weekly. Rating Ma's coordination with KMT legislators and the party, Wu gave him a grade of 50-60 (out of 100) in the early months of his presidency and 70-80 now.

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KMT Chairman Election

10. (C) Wu said candidate registration for the KMT chairman election will take place in early June. This means President Ma Ying-jeou and Chairman Wu Poh-hsiung will have to decide what they want to do by late May. Wu Poh-hsiung will support Ma if Ma wants to take up the chairman position. Wu Poh-hsiung will also be agreeable if Ma wants him to continue as chairman. A third option would be for Ma and Wu Poh-hsiung to ask a third person to run for party chair, However, the situation has not reached that point, Wu Den-yih said, adding that he would respect whatever decision Ma and Wu Poh-hsiung make. (Comment: Many observers here expect Ma, who has not made a decision yet, to ask Wu to continue as chairman.)

WANG